

# N.C.'s roads need all the gas tax they get

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Many calls have been made recently to weaken North Carolina's state tax on gasoline. Critics demand its reduction, temporary suspension, capping or even elimination.

These are understandable reactions to a real concern about rising prices. However, every one of these proposals would irreparably harm transportation

## POINT OF VIEW

in North Carolina.

The stark bottom line: crucial highway projects are multiplying, and so are the associated costs. At the same time, revenue for funding those projects is failing to keep pace with expenses.

The state gas tax is a vital part of that revenue. It is the primary source of funds for maintenance of existing roads and for public transportation. Simply put, to keep our roads and public transit in working order, the gas tax is a necessity.

And there's no reason to believe that the transportation crisis will let up anytime soon. The state Department of Transportation has identified \$30 billion in needs over the next 25 years that will not be met by current revenue sources. In the Triangle alone we are facing a shortfall estimated to be \$8 billion over the next 25 years. Under these circumstances, re-

ducing revenue is not a good idea.

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It is true that we have higher state gas taxes than other Southern states. However, in North Carolina the vast majority of roads are maintained and built by the state. In Georgia the gas tax is relatively low at 7.5 cents per gallon (plus a 4 percent sales tax), but construction and maintenance of all county roads are

the responsibility of county governments, which in turn pass the cost onto taxpayers. When all state highway funding is divided by the total mileage of the state

system, Georgia invests four times the amount per mile of state road as North Carolina does.

In Florida, the state gas tax is less than half of North Carolina's — but when local option taxes and environmental inspections are included, the average Floridian will pay more to the state than the average North Carolinian will, even with our 2.8 cent increase that began Jan. 1.

Businesses and individuals are clearly being impacted by the rising cost of fuel — whether to move trucks and vehicles or heat our homes. But a reduction in the gasoline tax of less than 3 cents is probably the worst kind of "savings" possible, because it will lower current investment

in our financially challenged transportation system.

Construction costs for highways have increased at a far faster rate than gas tax revenues — around 30 percent over the last two years. Given this, the state would be wise to invest today's dollars at a greater rate, not cut them. This month's 2.8 cent increase in gas taxes will cost a consumer who drives a 20 mpg vehicle

15,000 miles a year \$21. However, it costs the state millions of today's dollars to properly maintain and scale existing road and transit systems.

High gas prices are being felt across the nation and are primarily the result of natural disasters, inflation and international politics — not taxes. A number of factors affect gas prices, and North Carolinians traveling north would still be well-served to fill up here, rather than in states with higher prices such as West Virginia and Pennsylvania.

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I do agree with those who object to transportation taxes and fees being used for purposes other than transportation. Statewide advocacy groups such as NC Go! have noted that more than \$3 billion in transportation taxes and fees have been used for non-transportation purposes in the past 15 years. Ongoing diversions from the state Highway Trust

Fund are hurting transportation, damaging the economy and undermining the public trust.

Missouri recently passed a constitutional amendment to end such diversions in order to speed \$800 million worth of needed transportation projects. A proposal by the legislature and the governor to preserve transportation tax revenue solely for highway and transportation investments would provide needed assurances for potential creators of new jobs in North Carolina, and such a call would receive the full support of the Regional Transportation Alliance.

There's no doubt North Carolinians have endured their share of pain at the pump. However, we must face the reality that saving three cents on a gallon of gas now isn't worth adding to a \$3 billion underinvestment in mobility. If there is a call for a special session of the legislature, let it be on an issue that can make a true difference in both the short- and long-term: preserving transportation taxes solely for transportation and mobility improvements. Don't suspend the gas tax increase — end the diversions of the public's transportation tax and fee investments.

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